

The Commonwealth of Massachusetts

ANNUAL REPORT

OF THE

BOARD OF TAX APPEALS

FOR THE

YEAR ENDING NOVEMBER 30, 1936

DEPARTMENT OF TREASURER AND RECEIVER-GENERAL



BOARD OF TAX APPEALS
ROOM 202, 20 SOMERSET ST., BOSTON, MASS.

The Commonwealth of Massachusetts

BOARD OF TAX APPEALS

To the Honorable Senate and House of Representatives:

In compliance with Section 4 of Chapter 58A of the General Laws, the Board of Tax Appeals herewith submits its annual report for the year ending November 30, 1936.

During the year 1936 the Board has disposed of 2,636 cases. There were 6,460 appeals pending before the Board at the end of 1936. A much greater number of appeals continue to be filed under the informal procedure established by the Legislature in 1933, indicating a preference of the taxpayers for a simpler form of procedure and a desire to dispense with the formal rules of evidence and obtain the advantage of an early hearing and decision by the Board. The informal procedure has provided the taxpayer the opportunity of bringing his appeal before the Board with the least possible delay after action by the local assessors. Appeals under this procedure are required to be advanced for early hearing by the Chairman so that cases are usually heard within five or six months after the appeal is filed. From an examination of the tables accompanying this report it will be noted that more and more appellants elect the informal procedure under which to bring their appeals. This is especially true in the case of the smaller assessments. During the past year 3,290 cases were filed under the informal procedure, of which 564 were transferred to the formal procedure by assessors, and 2,726 were retained under the informal procedure. About 74 per cent of these latter appeals were for assessments of less than \$25,000.

In the exercise of the full discretion given to the Board by the recent amendment of Chapter 58A of the General Laws as to the admission and exclusion of evidence, the members of the Board continue the practice of eliminating, so far as possible, technicalities of evidence and simplifying the procedure so that parties not represented by counsel may have every opportunity of presenting their cases fully and fairly in hearing. The practice of allowing typewritten reports of experts to be admitted in evidence continues to be of advantage in the saving of both time and expense in hearing. Statements of income and expense over a period of years not too remote as well as other evidence is admitted also with a view to reducing the formality of the proceedings under the informal procedure.

Hearings generally are held at the offices of the Board in Boston but when the parties live a considerable distance and the circumstances warrant it arrangements are made for hearing the cases in the vicinity where the property and the parties are located. During the past year sessions were held in Brockton, Fall River, Springfield, Taunton and Worcester.

The recent amendment of the statute allowing less than a majority to sit upon cases has resulted in expediting the hearing of cases. It is not unusual for four or even five appeals to be heard simultaneously. Unless engaged in hearing members are free to work on appeals already heard. On the more important cases under the formal procedure and on appeals from the decisions of the Commissioner of Corporations and Taxation, which often involve intricate questions of law, it is still the practice of the Chairman to assign three members of the Board to hear these cases. Under the existing law all the decisions made are by a majority vote of the Board.

The Board is largely self-supporting. During the year 1936 the receipts from entry fees and other sources amounted to \$64,552.71, leaving a net cost to the Commonwealth for the past year amounting to \$29,739.34.

The Board has made the following recommendations to the General Court.

1. Some confusion has arisen because of possible inconsistencies in the limits of the time for filing appeals to this Board described in section 6 of chapter 58A and in sections 64 and 65 of chapter 59. If it is the desire of the Legislature that the provisions of section 6 of chapter 58A shall not prevent the operation of the provisions of chapter 59 in case the assessors are willing to reopen the right of appeal by a decision in writing after the rights of the taxpayer have been lost under section 6 of chapter 58A, an amendment of this section is suggested.

2. At hearings before this Board it sometimes happens that there is a direct conflict of evidence between the taxpayer and the assessors as to whether a list of personal property or an application for abatement has been filed, or, if filed, the date of such filing. In an effort to prevent such conflict an amendment of chapter 59 is suggested.

3. It sometimes happens that, due to the delay of assessors in completing and opening for public inspection their assessment books, taxpayers have been greatly hampered in gaining the information necessary to enable them to file applications for abatement. This is particularly true since the last date of filing such applications has been set back to October first. We understand that this year, in one city at least, no applications whatever could be filed because the tax rate itself was not fixed until after October first. To cure this injustice, an amendment of section 59 of chapter 59 is suggested.

4. As a result of a recommendation of this Board made to the Legislature in 1932, two additional members were added, and at the same time legislation was passed establishing the so-called informal procedure. The increased membership of the Board and the change in the procedure have resulted in greatly expediting hearings and the business of the Board generally. It has not been possible, however, to keep up with the great volume of appeals, and, as has already been noted in this report, the number of appeals pending has been continually mounting.

Section 1 of chapter 321 of the Acts of 1933 provides that the Board shall consist of five members, and that the two additional members shall be appointed to serve until December 1, 1937. It is apparent, therefore, that unless legislation is adopted at the forthcoming session of the General Court extending this provision of the statute the Board will, on December 1, 1937, be reduced to a membership of three. This will impair the ability of the Board to deal efficiently with the volume of work now before it, and we submit herewith an act extending the provisions of section 1 of chapter 321 of the Acts of 1933 for an indefinite time. It seems imperative, with the great amount of business pending before the Board, that it be continued as at present constituted with a membership of five.

As a part of this report tables of such statistics of the work of the Board as may have some public interest are appended.

Respectfully submitted,

JOHN J. MURRAY, *Chairman*
 RICHARD P. STAPLETON
 WM. G. HENNESSEY
 JAMES J. BRENNAN
 PAUL E. TIERNEY

Board of Tax Appeals

COMBINED FORMAL AND INFORMAL PROCEDURE (REAL ESTATE APPEALS)

THE STATE (taken as a whole)	1931	1932	1933	1934	1935	1936
Appeals pending at beginning of year	0	145	834	2,396	3,246	4,233
Appeals entered (net) during year	235	1,067	2,763	3,366	4,456	4,459
Total number before Board during year	235	1,212	3,597	5,762	7,702	8,692
Less: Settled or withdrawn during year	59	250	839	1,939	3,003	1,941
Net total to be decided by Board	176	962	2,758	3,823	4,699	6,751
Appeals decided by Board during year	31	128	362	577	466	674
Appeals pending at end of year	145	834	2,896	3,246	4,233	6,077
BOSTON						
Appeals pending at beginning of year	0	86	682	1,692	2,578	3,148
Appeals entered (net) during year	112	848	1,744	2,240	2,541	2,646
Total number before Board during year	112	934	2,426	3,932	5,119	5,794
Less: Settled or withdrawn during year	20	176	492	1,157	1,864	1,207
Net total to be decided by Board	92	758	1,934	2,775	3,255	4,587
Appeals decided by Board during year	6	76	242	197	107	216
Appeals pending at end of year	86	682	1,692	2,578	3,148	4,371
OUTSIDE OF BOSTON						
Appeals pending at beginning of year	0	59	152	704	668	1,085
Appeals entered (net) during year	123	219	1,019	1,126	1,915	1,813
Total number before Board during year	123	278	1,171	1,830	2,583	2,898
Less: Settled or withdrawn during year	39	74	347	782	1,139	734
Net total to be decided by Board	84	204	824	1,048	1,444	2,164
Appeals decided by Board during year	25	52	120	380	359	458
Appeals pending at end of year	59	152	704	668	1,085	1,706

FORMAL PROCEDURE (REAL ESTATE APPEALS)

December 1, 1935 — November 30, 1936

THE STATE (taken as a whole)

Appeals pending at beginning of year	2,856
Appeals entered (net) during year	1,733
Total number before Board during year	4,589
Less:	
Settled or withdrawn during year	836
Net total to be decided by Board	3,753
Appeals decided by Board during year	261
Appeals pending at end of year	3,492

BOSTON

Appeals pending at beginning of year	2,552
Appeals entered (net) during year	1,340
Total number before Board during year	3,892
Less:	
Settled or withdrawn during year	678
Net total to be decided by Board	3,214
Appeals decided by Board during year	154
Appeals pending at end of year	3,060

OUTSIDE OF BOSTON

Appeals pending at beginning of year	304
Appeals entered (net) during year	393

Total number before Board during year	697
Less:	
Settled or withdrawn during year	158
Net total to be decided by Board	539
Appeals decided by Board during year	107
Appeals pending at end of year	432

INFORMAL PROCEDURE (REAL ESTATE APPEALS)

December 1, 1935 — November 30, 1936

THE STATE (taken as a whole)

Appeals pending at beginning of year		1,377
Appeals entered under Informal Procedure	3,290	
Formal Procedure elected by city or town	564	2,726
Total retained under Informal Procedure		4,103
Less:		
Settled or withdrawn during year		1,105
Net total to be decided by Board		2,998
Appeals decided by Board during year		413
Appeals pending at end of year		2,585

BOSTON

Appeals pending at beginning of year		596
Appeals entered under Informal Procedure	1,832	
Formal Procedure elected by city or town	526	1,306
Total retained under Informal Procedure		1,902
Less:		
Settled or withdrawn during year		529
Net total to be decided by Board		1,373
Appeals decided by Board during year		62

Appeals pending at end of year	1,311
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OUTSIDE OF BOSTON

Appeals pending at beginning of year		781
Appeals entered under Informal Procedure	1,458	
Formal Procedure elected by city or town	38	1,420
Total retained under Informal Procedure		2,201
Less:		
Settled or withdrawn during year		576
Net total to be decided by Board		1,625
Appeals decided by Board during year		351

Appeals pending at end of year	1,274
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APPEALS v. COMMISSIONER OF CORPORATIONS AND TAXATION

	1931	1932	1933	1934	1935	1936
Pending at beginning of year	0	27	26	24	16	30
Entered during year	66	47	42	25	31	374
Total	66	74	68	49	47	404
Settled or withdrawn during year	9	14	17	15	8	14
Net	57	60	51	34	39	390
Decided	30	34	27	18	9	7
Pending at end of year	27	26	24	16	30	383

REAL ESTATE APPEALS FILED

December 1, 1935 — November 30, 1936

COMBINED FORMAL AND INFORMAL PROCEDURE

Class	Number	Assessed Valuation	Tax Assessed	Over- Valuation	Tax Abated
TOTAL					
Pending 11/30/35	4,233	\$690,841,859.22	\$23,849,045.01		
Filed (net) 1935-36	4,459	462,404,302.90	16,956,472.35		
Decided	674	74,446,695.00	2,695,356.20	\$11,414,790.00	\$410,945.66
Settled or withdrawn	1,941	232,446,168.15	8,287,730.23		
Disposed	2,615	306,892,863.15	10,983,086.43		
Pending	6,077	846,353,298.97	29,822,430.93		
BOSTON					
Pending 11/30/35	3,148	600,825,359.70	20,699,528.75		
Filed (net) 1935-36	2,646	383,549,815.40	14,096,735.37		
Decided	216	45,901,156.00	1,609,760.49	6,766,100.00	235,855.13
Settled or withdrawn	1,207	192,322,000.00	6,894,375.68		
Disposed	1,423	238,223,156.00	8,504,136.17		
Pending	4,371	746,152,019.10	26,292,127.95		
OUTSIDE					
Pending 11/30/35	1,085	90,016,499.52	3,149,516.26		
Filed (net) 1935-36	1,813	78,854,487.50	2,859,736.98		
Decided	458	28,545,539.00	1,085,595.71	4,648,690.00	175,090.53
Settled or withdrawn	734	40,124,168.15	1,893,354.55		
Disposed	1,192	68,669,707.15	2,478,950.26		
Pending	1,706	100,201,279.87	3,530,302.98		

APPEALS FROM LOCAL ASSESSORS FILED UNDER OR TRANSFERRED
TO FORMAL PROCEDURE

December 1, 1935 — November 30, 1936

Class	Per Cent of All Appeals	Number of Appeals	Total Assessed Value of Class
\$25,000 and under	22.39%	388	\$ 4,755,691.00
\$25,000 — \$100,000	42.59%	738	40,464,640.00
\$100,000 — \$500,000	26.95%	467	104,447,154.50
\$500,000 — \$1,000,000	04.15%	72	47,935,985.00
\$1,000,000 and over	03.92%	68	184,054,875.00
	100.00%	1,733	\$381,658,345.50
Average assessed value per appeal			\$223,322.61

APPEALS FROM LOCAL ASSESSORS ORIGINALLY FILED UNDER
INFORMAL PROCEDURE AND NOT TRANSFERRED TO FORMAL PROCEDURE

December 1, 1935 — November 30, 1936

Class	Per Cent of All Appeals	Number of Appeals	Total Assessed Value of Class
\$25,000 and under	74.54%	2,032	\$19,599,117.40
\$25,000 — \$100,000	20.14%	549	24,218,235.00
\$100,000 — \$500,000	04.81%	131	25,515,455.00
\$500,000 — \$1,000,000	00.44%	12	7,513,150.00
\$1,000,000 and over	00.07%	2	3,900,000.00
	100.00%	2,726	\$80,745,957.40
Average assessed value per appeal			\$29,620.67
Average assessed value of appeals of \$25,000 and under			\$9,645.24

APPEALS FROM LOCAL ASSESSORS FILED UNDER OR TRANSFERRED
TO FORMAL PROCEDURE

December 1, 1930 — November 30, 1936

Class	Per Cent of All Appeals	Number of Appeals	Total Assessed Value of Class
\$25,000 and under	22.96%	2,232	\$ 29,934,329.07
\$25,000 — \$100,000	41.89%	4,072	215,140,845.00
\$100,000 — \$500,000	27.12%	2,637	590,506,498.55
\$500,000 — \$1,000,000	04.31%	419	281,955,933.00
\$1,000,000 and over	03.72%	362	899,300,705.11
	100.00%	9,722	\$2,016,838,310.73
Average assessed value per appeal			\$207,450.97

APPEALS FROM LOCAL ASSESSORS ORIGINALLY FILED UNDER
INFORMAL PROCEDURE AND NOT TRANSFERRED TO FORMAL PROCEDURE

July 12, 1933 — November 30, 1936

Class	Per Cent of All Appeals	Number of Appeals	Total Assessed Value of Class
\$25,000 and under	74.45%	4,932	\$50,656,588.85
\$25,000 — \$100,000	19.55%	1,295	58,797,969.48
\$100,000 — \$500,000	05.04%	334	64,911,321.11
\$500,000 — \$1,000,000	00.70%	46	30,738,849.00
\$1,000,000 and over	00.26%	17	35,471,700.00
	100.00%	6,624	\$240,576,428.44
Average assessed value per appeal			\$36,318.90
Average assessed value of appeals of \$25,000 and under			\$10,271.00

APPEALS FROM LOCAL ASSESSORS PENDING

On November 30, 1936

(Arranged by Cities and Towns)

Boston	4,371	Saugus	40
Quincy	256	Worcester	36
Lowell	228	Everett	33
Revere	117	Chelsea	29
Somerville	107	Springfield	27
Brockton	99	Hull	26
Cambridge	83	Fall River	21
Lynn	74	Waltham	20
Brookline	61	Newton	17
Medford	61	Arlington	16
Gloucester	43	Lenox	11
Winthrop	43	Nantucket	11
Watertown	41		
77 other cities and towns (varying from 1 to 10 appeals)			206
Total number of real estate appeals pending			6,077

APPEALS FILED WITH BOARD OF TAX APPEALS

December 1, 1935 — November 30, 1936
(Arranged by Counties)

<i>Barnstable</i>		<i>Hampden</i>		Cohasset	4
Bourne	2	Chicopee	1	Dedham	5
Brewster	1	Hampden	1	Franklin	2
Falmouth	2	Holyoke	7	Medfield	1
Sandwich	1	Ludlow	1	Milton	5
Wellfleet	2	Springfield	24	Needham	6
				Quincy	259
<i>Berkshire</i>		<i>Hampshire</i>		Stoughton	2
Lenox	11	Northampton	1	Walpole	1
No. Adams	1			Wellesley	9
		<i>Middlesex</i>		Weymouth	12
				Wrentham	2
<i>Bristol</i>		Arlington	28	<i>Plymouth</i>	
Acushnet	5	Bedford	15	Brookton	107
Fall River	22	Belmont	2	Hanover	4
No. Attleborough	1	Billerica	1	Hanson	1
Taunton	6	Cambridge	153	Hingham	2
Westport	1	Dracut	6	Hull	26
		Everett	27	Norwell	1
<i>Dukes</i>		Groton	1	Pembroke	1
Oak Bluffs	1	Hopkinton	2	Plymouth	1
Tisbury	1	Lexington	7	Rockland	1
		Lincoln	1		
<i>Essex</i>		Lowell	232	<i>Suffolk</i>	
Andover	3	Malden	10	Boston	2,646
Beverly	6	Marlborough	2	Chelsea	26
Gloucester	39	Maynard	1	Revere	116
Haverhill	6	Medford	59	Winthrop	32
Lawrence	1	Melrose	11		
Lynn	76	Natick	6	<i>Worcester</i>	
Lynnfield	1	Newton	22	Auburn	2
Manchester	2	No. Reading	1	Blackstone	2
Methuen	1	Reading	7	Clinton	1
Nahant	4	Shirley	1	Grafton	2
Newbury	1	Somerville	92	Leominster	2
Newburyport	2	Tewksbury	1	Lunenburg	1
Peabody	1	Wakefield	2	Oxford	8
Rockport	2	Waltham	20	Shrewsbury	1
Salem	5	Watertown	34	Southborough	3
Saugus	23	Weston	2	Spencer	2
Swampscott	1	Woburn	2	Templeton	2
Topsfield	5			Uxbridge	2
W. Newbury	1	<i>Norfolk</i>		Worcester	43
		Braintree	5		
		Brookline	90		
		Canton	1	Total	4,459